Capital Formation and Investment in Agriculture

3345. SHRI ANANTRAY DEVSHANKER DAVE :

SHRI SUBRAMANIAN SWAMY :
SHRI MOHD. KHALEELUR RAHMAN :

SHRIMATI RENUKA CHOWDHURY :

Will the Minister of AGRICULTURE be pleased to refer to the answer to Starred Questions 128 and 131 given in the Rajya Sabha on 10th December, 1993 and state :

(a) what constitutes capital formation and investment in Agriculture ;

(b) what is the number of land owning farmer and the number of farmers cultivating wheat, rice, cotton, sugar, groundnut and other oil seeds ; and

(c) what is the number of farmers benefited by canal irrigation and the number of farmers in dry areas ?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI ARVIND NETAM) : (a) Gross Capital Formation refers to the aggregate of gross additions to fixed assets (Machinery and equipment and construction) and increase in stocks of inventories during the period of account (usually a year). Thus the Gross Fixed Capital Formation in agriculture will include expenditures on bunding, improvement and reclamation of land, irrigation works, flood control projects, laying of new orchards and plantations, construction of wells, other irrigation resources, farm houses, barns, animal sheds etc., agricultural implements, machinery and transport equipments (exclusive used for agriculture) and increment of livestock like breeding stock, draught animals, dairy cattle and other animals raised for wool clipping. Increment in livestock pertaining to other categories of livestock are included under change in stocks. It may be mentioned that the capital formation in agriculture does not include expenditures on net purchase of land other non-reproducible tangible assets like timber, tracts, mineral deposits and intangible assets like copy rights, trade marks, goodwill etc. and purchase of financial assets such as shares, debentures, bonds etc., whereas they are included in general commercial accounting as investment.

(b) According to Agricultural Census 1985-86, the total number of operational holdings in the country were estimated at 97.2 million and the number of operational holdings cultivating wheat, rice, cotton, groundnut and other oil seeds were 24 million, 43.4 million, 5 million. 3.6 million, and 8.4 million respectively. No figures for number of operational holdings cultivating sugarcane are available.

(c) As per Agricultural Census 1985-86, the number of operational holdings receiving irrigation through canals were 13.92 million and member of operational holdings who were not receiving irrigation was 51.33 million.

Production of Wheat

3346. SHRI GOVINDRAO ADIK : Will the Minister of AGRICULTURE be pleased to state :

(a) what was the total production of wheat in our country during the last three years ;

(b) what is being done to boost wheat production in the country ;

(c) what is the total annual requirement of wheat in our country

(d) whether there is a surplus and what will be done to the surplus ; and

(e) if there is a deficit, how the deficit will be covered ?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI ARVIND NETAM) : (a) The total production of wheat in the country during 1990-91, 1991-92 and 1992-93 was 55.14, 55.69 and 56.76 million tonnes respectively.

(b) Besides ensuring minimum support price for wheat to the farmers, the government is implementing a Central Sector

Special Foodgrain Production Programme (SFPP)—Wheat since 1988-89 in the major producing States so as to increase the production and productivity of wheat in the country.

(c) The demand of wheat at a given point of time depends upon several variable factors like population characteristics, production, availability, income distribution, price levels, consumer habits, price and availability of substitutes, and other related matters. As such, it is difficult to assess the exact requirement for wheat.

(d) Wheat is procured under price support operation every year. The farmers who get prices higher than the minimum support price are free to sell wheat in the open market. Wheat so procured is kept in the central pool for public distribution system etc. purposes. At present, the stock in the central pool is very comfortable and continues to remain above the buffer-stocking norms maintained by the Government.

(e) Does not arise.

The comfortable position of wheat stock in the central pool would ease the overall supply of foodgrains in the country.

Crisis in Sugar Industry

@3347. DR. NAUNIHAL SINGH: Will the Minister of FOOD be pleased to state:

(a) whether it is a fact that major sugar producers have warned against a crisis in the industry if the monthly quota mechanism is not used effectively;

(b) if so, the reasons therefor;

(c) whether it is a fact that the country was facing a situation similar to one prevailing in the election year, 1989;

(d) whether it is also a fact that Government in a bid to check prices in early part of 1989 had released larger quantity of quota and later imported three lakh tonnes of sugar to meet the festival demand;

(e) if so, whether Government are intending to repeat its action mentioned in part (d) above; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD (SHRI KALP NATH RAI): (a) Yes, Sir.

(b) The industry apprehends that due to fall in sugar production, there would be lesser availability of sugar in the country during the current 1993-94 season.

(c) During 1988-89 season, the sugar production had declined as compared to previous season's level. During the current season 1993-94, the production is also expected to be lower than last season's production.

(d) During January to March, 1989, a quantity of 14.35 lakh tonnes of free sale sugar was released as compared to 13.90 lakh tonnes released during the corresponding period of previous season. In October/November 1989, a quantity of 2.42 lakh tonnes of sugar was imported to meet the domestic requirement.

(e) and (f) During the initial six months of the current 1993-94 season, i.e. October, 1993 to March, 1994, a total quantity of 37.70 lakh tonnes of free sale sugar has been released as freesale, as against 37.40 lakh tonnes during the corresponding period last season, thus showing a marginal increase of 0.03 lakh tonnes. However, keeping in view the lower production level likely to be achieved during 1993-94 season and also to contain the prices of sugar and to ensure adequate availability of sugar in the country, it has been decided to allow import of sugar under Open General Licence (OGL). No custom duty and additional custom duty would be levied on this import. It is expected that this would help augment domestic availability and keep the open market prices under check.

@Previously unstarred Question 1830, transferred from the 7th March, 1994.